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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 001282

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [EINV](#) [EFIN](#) [ID](#)
SUBJECT: YUDHOYONO'S RESHUFFLED CABINET STRONGER ON GOOD
GOVERNANCE

REF: A. 05 JAKARTA 15860

[1](#)B. 04 JAKARTA 10341

Classified By: Political Officer Catherine E. Sweet, Reasons
1.4(b) and (d)

[1](#)1. Summary. (U) On May 7, President Susilo Bambang Yudhoyono made much-anticipated changes to his cabinet for the second time since assuming office in 2004. President Yudhoyono said the modifications would increase the cabinet's effectiveness and improve the ministers' ability to work cooperatively. Key economic/finance ministers, Defense Minister Juwono Sudarsono, and Foreign Minister Hassan Wirajuda remain in the cabinet. The most noticeable change comes on the law enforcement/good governance side, where SBY sent a clear signal by firing Mahendra and Awaluddin (both implicated in more than one corruption scandal) and bringing in Supanji, who turned in a credible performance as head of the GOI's interagency Corruption Eradication Team.

[1](#)2. (SBU) Seven portfolios changed hands, with five newcomers added and two ministers assuming new portfolios (bios of the new ministers in para 6). Of the newcomers, three are technocrats and two are partisan. The most notable victims of the reshuffle were the powerful (and abominable) State Secretary Yusril Mahendra and the Minister for Justice and

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Human Rights, Hamid Awaluddin. Both allegedly facilitated the highly questionable and heavily publicized return of \$10 million of frozen funds in a U.K. bank to former president Suharto's son (and convicted murder conspirator), Tommy, via a Ministry of Justice bank account. The beleaguered Transportation Minister, Hatta Radjasa, not only survived the reshuffle but was promoted to State Secretary, replacing Mahendra, while Andi Mattalata, the head of Golkar's parliamentary faction, will assume the justice and human rights portfolio. Jusman Syafii Djamal, a member of the National Transportation Safety and Security Evaluation Team, has been appointed as the new Transportation Minister.

[1](#)3. (U) Also dropped from the cabinet were State Minister for State Enterprises Sugiharto (replaced by the outgoing Minister of Information and Communication Sofyan Djalil, reportedly at Vice President Jusuf Kalla's behest), Minister for the Development of Disadvantaged Regions Syaifullah Yusuf (replaced by M. Lukman Edhi), and Attorney General Abdel Rahman Saleh (replaced by Hendarman Supandji, a Deputy Attorney General who gained renown as the head of the GOI's interagency Corruption Eradication Team).

[1](#)4. (U) Yudhoyono declined to fire Minister of Home Affairs

Mohammad Ma'ruf, who suffered a stroke last month and is still being treated in Singapore. The President said that if Ma'ruf's medical team assesses that he can continue to carry out his duties, he will be permitted to keep his job.

15. (C) Comment: Coming after more than a month of intense speculation, the cabinet reshuffle was vintage SBY: weeks behind schedule, modest in scope, but in the end, very sensible. With the changes, Yudhoyono's foreign policy, defense and economic teams remain essentially intact. The most noticeable change comes on the law enforcement/good governance side. SBY sent a clear signal of the importance of continuing to move against corruption by firing Mahendra and Awaluddin, both of whom had been implicated in more than one corruption scandal and had generated much negative publicity, and by bringing in Supanji, who turned in a credible performance as head of the GOI's interagency Corruption Eradication Team. With clear support from SBY, Supanji's appointment also offers the possibility of an acceleration of reforms at the AGO's office. Although Former Attorney General Saleh had a very clean reputation, as an outsider in the intensely inward-looking culture of the AGO's office, he had very little institutional support and was able to advance few reform initiatives. As a career AGO official, Supanji should be much better positioned to make changes at the AGO's office and turn it into a more effective law enforcement institution. The reshuffle also highlights the considerable political clout of Hatta Radjasa, who was promoted to the State Secretariat after what can only be described as a disastrous run as Transportation Minister. Hatta will now serve in his third consecutive cabinet under two different presidents.

16. (U) Brief biographies of the new cabinet members follow (please see refs A and B for bios of existing members):

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Minister of Justice and Human Rights

Andi Mattalata was born in Bone, South Sulawesi in 1952. He holds a Bachelor of Law degree from the University of Hasanuddin in South Sulawesi and a Master's Degree in Law from the University of Indonesia. Mattalata is a Golkar stalwart who has served as a member of the party's executive board and a member of parliament since 2004.

Minister of Transportation

Jusman Syafii Djamal was born in Langsa, East Aceh, in 1954. An aviation expert who holds a Bachelor's of mechanical engineering with a major in aviation engineering from the Bandung Institution of Technology, Djamal is currently a member of the National Transportation Safety and Security Evaluation Team. He has previously worked as a project engineer for N250 aircraft (1989-1995), as the head of aircraft technology (1994-96) and as the director of PT Dirgantara Indonesia.

State Minister for Development of Disadvantaged Regions

M. Lukman Edhi was born in Indragiri Hilir, Riau, in 1970. He received a Bachelor's degree in civil engineering from the University of Brawijaya in Malang, East Java, and a Master's degree in public management from the University of Padjajaran in West Java; he is currently pursuing a Ph.D. from the University of Malaya in Malaysia. Edhi, who is the Secretary General of former president Abdurrahman Wahid's National Awakening Party (PKB), replaces Syaifullah Yusuf, who defected from PKB to join the United Development Party (PPP). His appointment restores PKB's presence in the cabinet.

State Minister for Information and Communication

Muhammad Nuh was born in 1959 in Surabaya, East Java. An engineer who holds a Bachelor's degree in electrical engineering from the Surabaya Institute of Technology, as well as a Master's and doctorate from the Universite Science et Technique du Languedoc in Montpellier, France, Nuh has also served as the head of the East Java branch of the Indonesian Muslim Intellectuals' Associations (ICMI). Nuh was a professor of biomedical engineering and the former rector of the Institute of Technology Sepuluh November.

Attorney General

Hendarman Supandji was born in 1947 in Klaten, Central Java. He received his Bachelor of Law degree from the University of Diponegoro in Semarang, Central Java, and has worked in the legal field since 1979. With the Attorney General's Office, Supandji has worked in the Center of Intelligence Operations (1982-83), with the Coordination Body for Forgery Investigation (1984-85), as the head of the General Crimes' Section (1985-1990), as the head of the Finance Bureau (1998-2002) and as the Deputy Attorney General for Special Crimes. Supandji has led the Corruption Eradication Team since its founding in 2005.
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